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May 19, 2004

Newton C. Blanchard (1922)
ELIAS GOLDSTEIN (1962)
HENRY C. WALKER (1963)
ARTHUR O'QUIN (1972)
WILTON H. WILLIAMS, JR. (1975)
LEON O'QUIN (1979)
JOSEPH W. MILNER (1989)
ROBERT ROBERTS, JR. (1991)
CLYDE W. THURMON (1992)
PIKE HALL, JR. (1999)
MARLIN RISINGER, JR. (2002)

Of Counsel Gilbert L. Hetherwick Robert Roberts III Neilson S. Jacobs

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

Re: HEARING APPLICATION

Alternate Unit Wells

JAMES RA SUC and JAMES RA SUJ

Spider Field

DeSoto Parish, Louisiana

Our File No. 410595.0014

Dear Sir:

John T. Cox, Jr.

W. MICHAEL ADAMS

J. DAVID GARRETT CECIL W. TALLEY

WM. TIMOTHY ALLEN III

M. THOMAS ARCENEAUX

LESLIE IDOM KALMBACH

ROBERT W. JOHNSON PAUL M. ADKINS

F. MIGHAEL CARMODY KIMBERLY D. BELANGER CLINTON S. SIMON

GARY H. LOVE

REGINALD E. CASSIBRY, P.C.

On behalf of ST. MARY LAND & EXPLORATION COMPANY, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the James Formation, Reservoir A, in the Spider Field, DeSoto Parish, Louisiana:

- 1. To permit the applicant to drill, designate and utilize an additional alternate unit well in JAMES RA SUC, at the location shown on the plat attached hereto, or at any legal location within such unit.
- 2. To permit the applicant to drill, designate and utilize an additional alternate unit well in JAMES RA SUJ, at the location shown on the plat attached hereto, or at any legal location within such unit.
- 3. To explicitly find that the abovesaid additional alternate unit wells are necessary to drain a portion of the James Formation, Reservoir A, in the Spider Field underlying JAMES RA SUC and JAMES RA SUJ, respectively, which cannot be efficiently and economically drained by any existing well within such units.
- 4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

Conservation Commissioner May 19, 2004 Page 2

The James Formation, Reservoir A, in the Spider Field, DeSoto Parish, Louisiana, was fully defined in Office of Conservation Order No. 92-M, effective March 11, 2003.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data concerning the intended application will be made available for inspection at the offices of St. Mary Land & Exploration Company, 330 Marshall Street, Suite 1200, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Kevin McMaster at (318)424-0804, during normal business hours or write Mr. McMaster at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$1,510.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII/bp Enclosures

Wm. Timothy Allen III

Attorneys for St. Mary Land & Exploration Company

cc: Mr. James C. Broussard, Shreveport District Manager,
Office of Conservation (w/enclosures)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

